Decision on conditional approval to extend existing reliability must-run contracts for 2020

Neil Millar
Executive Director Infrastructure Development

Board of Governors Meeting

General Session

September 18, 2019

Management requests conditional approval to extend reliability must-run contracts for 2020.

- Reliability must-run designations are conditionally extended because:
  - Resource adequacy capacity from one specific unit may not be contracted by a load serving entity; and
  - There is a reliability need in the local area as determined by ISO studies.
- Resource adequacy capacity is contracted, however, if the ISO determines that:
  - It needs certain reliability services not provided by the resource adequacy contract;
  - A unit may exercise market power for energy; or
  - Existing contractual arrangements may preclude the availability of that unit without a reliability must-run contract.

California ISO

The resource adequacy process follows a pre-determined timeline:

- September 15, CPUC-jurisdictional load serving entities make preliminary resource adequacy showings

- ISO Management makes 2020 RMR recommendations for units currently under contract
  - Oakland units 1-3   (TBD)
  - Yuba City Energy Center   (Release)
  - Feather River energy Center   (Release)

- ISO Board authorizes Management to conditionally extend necessary existing reliability must-run contracts

- October 1 letters for RMR extensions or terminations are sent to resource owners (after the preliminary showings are known).

California ISO

Management recommends extending the reliability must-run designations as set out below

- Extend existing reliability must-run contracts for 2020 conditional upon results of resource adequacy showings process for the Dynegy Oakland, LLC generating units

- Release Yuba City and Feather River Energy Centers because they have entered into RA contracts for their entire available capacity and for at least the 2020 RA year

- Management will report back the results of the reliability must-run contract extensions at the November Board meeting.

California ISO